

THE COUNTY BULLETIN
And Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Vol.No. 329

July 2000

REMINDER OF ORDER OF BUSINESS

July

- 1 On or before this date the county treasurer shall certify a list of real estate delinquencies for tax sale. (IC 6-1.1-24-1)

On or before July 1 of each year, each county assessor shall certify to the county auditor the assessment value of the personal property in every taxing district. (IC 6-1.1-3-17)

- 2 On or before this date, the county auditor should receive County Form 144 from officers, boards, commissioners and agencies "Statement of Salaries and Wages Proposed to be Paid Officers and Employees." (IC 36-2-5-4) The county auditor shall present these forms to the county executive at its July meeting. The county executive shall review and make its recommendations. Before August 20 the county executive shall present County Form 144 and its recommendations to the county fiscal body.

- 4 Legal Holiday - Independence Day (IC 1-1-9-1)

- 10 On or before this date make distribution of Dog Fund apportionment from Auditor of State - second Monday. (IC 15-5-9-11)

Distribute congressional interest to school corporations - second Monday.
(IC 21-1-1-54)

- 15 In those counties participating in Public Employee's Retirement Fund, last day to make pension report and payment for the second quarter of 2000 to the Public Employee's Retirement Fund.

- 20 Last day to report and make payment of balance of State and County Income Tax withheld in the month of June to Indiana Department of Revenue.

- 31 Last day to file quarterly unemployment compensation reports with Indiana Employment Security Division.

Last day for county treasurer to mail demand notices to delinquent personal property taxpayers.
(IC 6-1.1-23-1)

REMINDER OF ORDER OF BUSINESS
(Continued)

August

- 1 First day annual tax sale can be held. (IC 6-1.1-24-2(a)(9))
- 9 Last date for county officers and department heads to file the respective budget estimates with county auditor - Wednesday following first Monday in August. (IC 36-2-5-9)
- 9,10,
- 11 County Treasurer's Annual Conference - Holiday Inn, Clarksville, Indiana.
- 19 Last date for board of commissioners to review "Statements for Salaries and Wages Proposed to be Paid Officers and Employees" and to make its recommendations to the county council. (IC 36-2-5-4(b))
- 20 Last day to report and make payment of State and County Income Tax Withheld in the month of July to Indiana Department of Revenue.
- 31 Last date for first publication of county budget (10 days prior to public hearing). (IC 6-1.1-17-3)

September

- 4 Legal Holiday - Labor Day. (IC 1-1-9-1)
- 7 Last date for second publication of county budget (7 days after the first publication and at least 3 days before public hearing). (IC 5-3-1-2)
- 10 Last date for budget public hearing (10 days prior to adoption). (IC 6-1.1-17-5(a))
- 16 Last date for taxing officials to file copies of budgets and tax levy with county auditor for presentation to County Tax Adjustment Board. (IC 6-1.1-17-5(d))
- 18 First meeting of County Tax Adjustment Board, if applicable. (IC 6-1.1-29-4) (On September 18 or on first business day after, if September 18 is not a business day.)
- 19-
- 20 Last date to comply with provisions of IC 36-2-5-11, "Each ordinance shall be read on at least two separate days before it's final adoption."

REMINDER OF ORDER OF BUSINESS
(Continued)

September - (Continued)

- 20 Last date county council may meet to determine budgets and tax rates.
(IC 6-1.1-17-5(a)(3))

Last day to report and make payment of State and County Income Tax withheld in the month of August to Indiana Department of Revenue.

QUESTIONS AND ANSWERS FROM COUNTY RECORDER'S ANNUAL CONFERENCE

Question #1: Should we charge the \$3.00 Supplemental Fee on a UCC Search?

Answer #1: This fee does not apply to UCC searches.

Question #2: Please discuss oath of office for Recorder and First Deputy. What is correct procedure? Where should the oath be kept?

Answer #2: The Recorder should take the oath of office before entering upon their official duties. The oath is to be endorsed on, or attached to, the commission or certificate, and signed by the officer and certified to by the officer before whom the oath was taken. That person shall deliver a certified copy to the Recorder who then files the oath in the Office of the Clerk of the Circuit Court. First deputies ~~are~~ required to take an oath under IC 5-4-1-1(c).

Question #3: We have an attorney who says the below statement is legal or no notary is needed. The auditor has questioned him. He says this is all the law requires (and he does not want a disclaimer).

Answer #3: You should consult with your county attorney.

Question #4: My county gives me only salary money. All the other expenses must be paid from the Perpetuation Fund. Is this legal? If not how would you suggest that I get them to give me a real budget?

Answer #4: The statute that allows for the Perpetuation Fund and the authorized use of this fund is found in IC 36-2-7-10. This fund may be used for the improvement of the record keeping system and the preservation of records. The general expenses of the office would not fall under these uses, therefore, should not be paid from the perpetuation fund, and the county council should not be forcing you to do this. Our suggestion would be to continue to try and educate the county council on what the authorized use of the fund would be.

**QUESTIONS AND ANSWERS FROM COUNTY RECORDER'S ANNUAL
CONFERENCE - (Continued)**

Question #5: If the County attorney does not represent elected office holders, should or can elected officials have a budget line item for attorney fees? Can this be remedied by having "home rule" address the scope of the county attorney's representation?

Answer #5: Yes, you may have a line item appropriation to pay attorney fees if you can get the county council to approve it. Also, the contract with the county attorney should specifically address the scope of their duties, and if the county attorney is required to represent elected officials that should be included in the contract.

Question #6: If the owner of the ground, leases the ground to a farmer, does the owner of the ground have to have his name on it and do we charge \$1.00 for each owner name?

Answer #6: You charge for each debtor name shown in the debtor's box.

Question #7: An individual called the Recorder's office inquiring about the possibility of using his personal digital camera to capture the image of a recorded plat. The records are on microfilm and the office makes copies available for the statutory copy fees. How should this situation and other similar situations be handled?

Answer #7: IC 5-14-3(b) says a public agency may not deny or interfere with the exercise of the right to public access. The public agency shall either: 1) provide the copies; or 2) allow the person to make copies on the public agency's equipment or on his own equipment. Therefore, you must make an administrative position as to whether you allow them to capture the image or you continue to make copies at their request.

Question #8: Does part-time help (who does record documents) have to be deputized? Bonded?

Answer #8: IC 5-4-1-1 does not require deputies to take the oath of office. The law does not require these employees to be bonded but we have recommended that any employee that receives cash should be covered by a bond.

Questions #9: Are Sales Disclosure forms public record now? Does this mean all forms from the time they started or from a certain date forward?

Answer #9: These forms are no longer confidential after the statute expired January 1, 2000. The State Tax Board has issued a memorandum stating all prior year forms are open to the public.

QUESTIONS AND ANSWERS FROM COUNTY RECORDER'S ANNUAL CONFERENCE - (Continued)

Question #10: Can we use the Recorders Perpetuation Fund for the Diploma Program?

Answer #10: Probably not. If the Diploma Program pertains to the improvement of the recordkeeping system or the preservation of records then it could be paid from the perpetuation fund. If the topic does not pertain to these uses then it should not be paid from the perpetuation fund.

Question #11: Are counties that image required to film?

Answer #11: No, you are not required to either film or image. You are required to keep records in accordance with the retention schedule. Also, you are required to provide appropriate public access. As a public officer, it is your job to decide how best to preserve public records.

Question #12: If a document needs a disclaimer statement on it - what is the best way - type on document (is this altering document?) or sticky note?

Answer #12: You should not alter or write on a document but you could enter a note on a post-it note in a blank space or you could enter a notation before or after the document.

Question #13: Do all Right of Way Grants need to go to auditors office before recording - or just those from the Indiana Department of Highway?

Answer #13: All conveyances must go to the Auditor before recording, but rights of way and easements are not required to be stamped by the Auditor.

Question #14: Who approves a Family and Social Service bond?

Answer #14: Indiana Department of Administration

Question #15: What should we be charging for cemetery deed? Does surveyor actual do anything with the cemeteries?

Answer #15: \$14.00, \$6.00 for the first page, \$3.00 supplemental fee, and \$5.00 surveyor corner fee. The surveyor doesn't have anything to do with cemeteries but the surveyor's fee is to be charged for all deeds.

Question #16: How do you certify a UCC file that has nothing in it?

Answer #16: We do not know how you certify an empty file, but if you provide the certifications statements you should charge it.

SOLID WASTE MANAGEMENT DISTRICTS

Each county shall, by ordinance of the Board of County Commissioners:

- (1) join with one or more other counties in establishing a joint solid waste management district, OR
- (2) designate itself as a county solid waste management district. (IC 13-21-3-1)

Once a district is established, a board of directors shall be established consisting of seven (7) members (in most counties):

- (2) members appointed by the Board of County Commissioners from the membership of the county commissioners.
- (1) member appointed by County Council from the membership of the county council.
- (1) member who is the executive of the municipality having the largest population in the county if that municipality is a city or appointed from the membership of the legislative body of a town if the town is the municipality having the largest population in the county.
- (1) member of the legislative body of the largest city or town.
- (1) member who is the executive of a city in a county that is not the municipality having the largest population in the county or who is a member of the legislative body of a town that is not the municipality having the largest population in the county and who is appointed by the executive of that county to represent the municipalities in the county other than the municipality having the largest population.
- (1) additional member appointed by the Board of County Commissioners from the membership of the county commissioners.

The powers of the Board of Directors are listed in IC 13-21-3-12.

A Solid Waste Management Plan shall be submitted to the Commissioner of the Indiana Department of Environmental Management by the Board after at least one (1) public hearing on the proposed plan.

Details as to what is to be in the plan are in IC 13-21-5.

FIREARMS TRAINING FUND - USES

Fees for applications accepted by the County Sheriff are to be deposited in the County Sheriff's Firearms Training Fund or other appropriate training activities fund and used by the County Sheriff for the purpose of:

1. Training law enforcement officers in the proper use of firearms or other law enforcement duties; or
2. To purchase for the law enforcement officers employed by the County Sheriff, firearms or firearm related equipment, or both. (IC 35-47-2-3)

TORNADO/FLOOD DISASTER RELIEF FUNDS - ACCOUNTING PROCEDURES

Money received or expected to be received from the Federal Emergency Management Agency (F.E.M.A.), the State Emergency Management Agency, or the State Lottery Commission for tornado and/or flood damages should be accounted for in the following manner:

1. If the money is to be used to reimburse funds for expenditures already incurred and paid and the conditions of IC 10-4-1-10 (1)(5) have been met, the amount received may be added back to the appropriation balances from which expenditures have been previously made.
2. If the money is to be used for future expenditures, a separate fund should be set up entitled "Disaster Relief Fund." Such fund would not require appropriation or an additional appropriation prior to expenditure.

It is recommended that all related expenditure records (claims, minutes, correspondence, contracts, etc.) be maintained in a separate file for future audits required by State and Federal agencies.

REAL ESTATE TAX SALE

Counties must hold the sale sometime between August 1 and October 31 at any place and time as advertised in the tax sale notice.

A tax sale notice, which is posted in the courthouse at least twenty-one (21) days before the earliest date of application for judgment with a court of competent jurisdiction and advertised in two (2) newspapers once each week for three (3) consecutive weeks before the earliest date on which the application for judgment is made, must include the following:

- (1) A list of tracts or real property eligible for sale under IC 6-1.1-24.
- (2) A statement that the tracts or real property included in the list will be sold at public auction to the highest bidder.

REAL ESTATE TAX SALE - (Continued)

- (3) A statement that the tracts or real property will not be sold for an amount which is less than the sum of: (A) the delinquent taxes and special assessments on each tract or item of real property; (B) the taxes and special assessments on each tract or item of real property that are due and payable in the year of the sale, whether or not they are delinquent; (C) all penalties due on the delinquencies; and (D) an amount prescribed by the county auditor that equal the sum of: (i) twenty-five dollars (\$25) for postage and publication costs; and (ii) any other actual costs incurred by the county that are directly attributable to the tax sale; and (E) any unpaid costs due from a prior tax sale.
- (4) A statement that a person redeeming each tract or item of real property after the sale must pay an interest charge of ten percent (10%) per annum on the amount of taxes and special assessments paid by the purchaser on the redeemed property after the tax sale.
- (5) A statement, for information purposes only, of the location of each tract or item of real property by key number, if any, and street address, if any, or a common description of the property other than a legal description. The township assessor upon written request from the county auditor, shall provide the information to be in the notice required by this subsection. A misstatement in the key number or street address does not invalidate an otherwise valid sale.
- (6) A statement indicating the name of the owner of each tract or item of real property with a single owner or the name of at least one (1) of the owners of each tract or item of real property with multiple owners.
- (7) A statement of the procedure to be followed for obtaining or objecting to a judgment and order of sale, that must include a statement that the county auditor and treasurer will apply on or after a date designated in the notice for a court judgment against the tracts or real property for an amount that is not less than the amount set under IC 6-1.1-24-2(a)(3), and for an order to sell the tracts or real property at public auction to the highest bidder. A statement that any defense to the application for judgment must be filed with the court before the date designated as the earliest date on which the application for judgment may be filed. A statement that the court will set a date for a hearing at least seven (7) days before the advertised date and that the court will determine any defenses to the application for judgment at the hearing.
- (8) A statement that the sale will be conducted at a place designated in the notice and that the sale will continue until all tracts and real property have been offered for sale.

REAL ESTATE TAX SALE - (Continued)

- (9) A statement that the sale will take place at the times and dates designated in the notice. The sale must take place on or after August 1 and before November 1 of each year.
- (10) A statement that a person redeeming each tract or item after sale must pay the costs described in IC 6-1.1-25-2(d).
- (11) If a county auditor and county treasurer have entered into an agreement under IC 6-1.1-25-4.7, a statement that the county auditor will perform the duties of the notification and title search under IC 6-1.1-25-4.5 and the notification and petition to the court for the tax deed under IC 6-1.1-25-4.6. (IC 6-1.1-24-2)

On the day on which the application for judgment and order for sale is made, the county treasurer shall report to the county auditor all of the tracts and real property listed in the notice required by IC 6-1.1-24-2 upon which all delinquent taxes and special assessments, all penalties due on the delinquencies, any unpaid costs due from a prior tax sale, and the amount due under IC 6-1.1-24-2(a)(3)(D) have been paid up to that time. The county auditor, assisted by the county treasurer, shall compare and correct the list, removing tracts and real property for which all delinquencies have been paid, and shall make and subscribe an affidavit in substantially the following form:

State of Indiana)

)ss

County of ____)

I, _____, treasurer of the county of _____, and I, _____, auditor of the county of _____, do solemnly affirm that the foregoing is a true and correct list of the real property within the county of _____ upon which have remained delinquent uncollected taxes, special assessments, penalties and costs, as required by law for the time periods set forth, to the best of my knowledge and belief.

County Treasurer

County Auditor

Dated _____

REAL ESTATE TAX SALE - (Continued)

Application for judgment and order for sale shall be made as one (1) cause of action to any court of competent jurisdiction jointly by the county treasurer and county auditor. The application shall include the affidavit and corrected list. (IC 6-1.1-24-4.6)

No later than fifteen (15) days before the advertised date of the tax sale, the court shall examine the list of tracts and real property as provided under IC 6-1.1-24-4.6.

No later than three (3) days before the advertised date of the tax sale, the court shall enter judgment for those taxes, special assessments, penalties, and costs that appear to be due. This judgment is considered as a judgment against each tract or item of real property for each kind of tax, special assessment, penalty, or cost included on it. The affidavit provided under IC 6-1.1-24-4.6 is prima facie evidence of delinquency for purposes of proceedings under IC 6-1.1-24. The court shall also direct the clerk to prepare and enter an order for the sale of those tracts and real property against which judgment is entered.

We recommend the auditor and treasurer consult with the court prior to filing the application for judgment to insure that the court can act on the application in the required timeframe.

If a defense is offered by any person interested in any of the tracts or items of real property to the entry of judgment against them, the court shall hear and determine the matter in a summary manner, without pleadings, and shall enter its judgment. The obligation must be in writing, and no person may offer any defense unless the writing specifying the objection is accompanied by an original or duplicate tax receipt or other supporting documentation.

If the judgment is entered in favor of the respondent under these proceedings, or if judgment is not entered for any particular tract, part of a tract, or items of real property because of an unresolved objection made under IC 6-1.1-24-4.7(b), the court shall remove those tracts, parts of tracts, or items of real property from the list of tracts and real property provided under IC 6-1.1-24-4.6.

A judgment and order for sale shall contain the final listing of affected properties and shall substantially follow this form:

“Whereas, notice has been given of the intended application for a judgment against these tracts and real property, and no sufficient defense has been made or cause has been shown why judgment should not be entered against these tracts for taxes, and real property special assessments, penalties, and costs due and unpaid on them, therefore it is considered by the court that judgment is hereby entered against the below listed tracts and real property in favor of the state of Indiana for the amount of taxes, special assessments, penalties, and costs due severally on them; and it is ordered by the court that the several tracts or items of real property be sold as the law directs. Payments for taxes, special assessments, penalties, and costs made after this judgment but before the sale shall reduce the judgment accordingly.”

REAL ESTATE TAX SALE - (Continued)

The order of the court constitutes the list of tracts and real property that shall be offered for sale under IC 6-1.1-24-5.

The court that enters judgment under IC 6-1.1-24-4.7 shall retain exclusive continuing supervisory jurisdiction over all matters and claims relating to the tax sale.

No error or informality in the proceedings of any of the officers connected with the assessment, levying, or collection of the taxes that does not affect the substantial justice of the tax itself shall invalidate or in any manner affect the tax or the assessment, levying, or collection of the tax.

Any irregularity, informality, omission, or defective act of one (1) or more officers connected with the assessment or levying of the taxes may be, in the discretion of the court, corrected, supplied, and made to conform to law by the court, or by the officer (in the presence of the court)(IC 6-1.1-24-4.7).

A Notice of Tax Sale (County Form 137A) must be mailed by certified mail to the owner or owners of record at their last known address not less than twenty-one (21) days before the earliest date on which the application for judgment and order of sale is made by the county auditor. Proof of this mailing must be presented to the court along with the application for judgment.

Also, at least twenty-one (21) days before the earliest date of application for judgment is made, the county auditor shall mail a copy of the tax sale notice (the notice published in the newspaper along with a listing) by certified mail to all mortgagees who annually request a copy of such notice.

The Tax Sale Record (County Form No. 137) should only include those properties for which an application for judgment has been filed.

The tax sale list is "on or before July 1." We encourage the sending of courtesy letters prior to this date because after this date, all delinquent taxes (including May 2000 installments), penalties and special assessments must be paid in order to keep a person's property from being sold (IC 6-1.1-24-5). The county treasurer certifies this list to the county auditor on or before July 1. The list includes those properties from the prior year's spring installment or before have been delinquent.

The redemption period is one year. The purchaser is responsible to notifying required parties before a deed is issued and he/she must prove to the court such notifications were made in accordance with IC 6-1.1-25-4.6.

A period of at least thirty-six (36) days is needed from the time Notices of Tax Sale are mailed and the actual tax sale date.

HANDLING APPEALS ON ASSESSMENTS

If a petition for review to any board or an appeal to the tax court regarding an assessment or increase in assessment is pending, the taxes resulting from the assessment or increase in assessment are, notwithstanding the provisions of IC 6-1.1-22-9, not due until after the petition for review, or the appeal, is finally adjudicated and the assessment or increase in assessment is finally determined. However, even though a petition for review or an appeal is pending, the taxpayer shall pay taxes on the tangible property when the property tax installments come due, unless the collection of the taxes is enjoined pending an original tax appeal under IC 33-3-5. The amount of taxes which the taxpayer is required to pay, pending the final determination of the assessment or increase in assessment, shall be based on:

- (1) the assessed value reported by the taxpayer on his personal property return if a personal property assessment, or an increase in such an assessment, is involved; or
- (2) an amount based on the immediately preceeding year's assessment of real property if an assessment, or increase in assessment, of real property is involved.

If the petition for review or the appeal is not finally determined by the last installment date for the taxes, the taxpayer, upon showing of cause by a taxing official or at the tax court's discretion, may be required to post a bond or provide other security in an amount not to exceed the taxes resulting from the contested assessment or increase in assessment.

Each county auditor shall keep seperate on the tax duplicate a record of that portion of the assessed value of property on which a taxpayer is not required to pay taxes under appeal. When establishing rates and calculating state school support, the state board of tax commissioners shall recognize the fact that a taxpayer is not required to pay taxes under certain circumstances.

If a review or appeal results in a reduction of the amount of an assessment or if the state board of tax commissioners on its own motion reduces an assessment, the taxpayer is entitled to a credit in the amount of any overpayment of tax on the next successive tax installment, if any, due in that year. If, after the credit is given, a further amount is due the taxpayer, he may file a claim for the amount due. If the claim is allowed by the board of county commissioners, the county auditor shall, without an appropriation being required, pay the amount due the taxpayer. The county auditor shall charge the amount refunded to the taxpayer against the accounts of the various taxing units to which the overpayment has been paid.

PUBLIC WORKS PROJECTS - INTEREST FOR LATE PAYMENT

A contract for road or street work must contain a provision for the timely payment of claims made by the contractor.

Each contract must provide for final payment within one hundred twenty (120) days after final acceptance and completion of the contract. Final payment may not be made on any amount that is in dispute, but final payment may be made on that part of a contract or those amounts that are not in dispute.

For each day after one hundred twenty (120) days, the board shall pay to the contractor interest for late payment of money due to the contractor. However, interest may not be paid for those days that the delay in payment is not directly attributable to the board. The annual percentage rate of interest that the board shall pay on the unpaid balance is twelve percent (12%). (IC 36-1-12-17)

PUBLIC WORKS PROJECTS ESTIMATED TO COST LESS THAN \$100,000

IC 36-1-12-3 states that the board may purchase or lease materials in the manner provided in IC 5-22 and perform any public work, by means of its own work force, without awarding a contract whenever the cost of that public work project is estimated to be less than \$100,000. This statute further provides that the cost of a public work project includes the actual cost of materials, labor, equipment, rental, reasonable rates for use of trucks and heavy equipment owned, and all other expenses incidental to the performance of the project.

Based on the provisions of this statute the county could perform a public work project estimated to cost less than 100,000 by the use of its own work force, materials purchased under an annual contract, and equipment rental (with or without an operator) rates awarded under an annual contract. There is no authority to hire a contractor to install materials purchased under the county's annual contract without advertising for bids and awarding a contract if the total cost of the project (including all materials, equipment usage, salaries of work force, the amount to install the materials and all other expenses) exceeds \$25,000.

PUBLIC WORKS PROJECTS OVER \$100,000 - PERFORMANCE BONDS

The contractor shall furnish the board with a performance bond equal to the contract price. If acceptable to the board, the performance bond may provide for incremental bonding in the form of multiple or chronological bonds that, when taken as a whole, equal the contract price. The surety on the performance bond may not be released until (1) year after the date of the board's final settlement with the contractor. The performance bond must specify that:

- (1) A modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;
- (2) A defect in the public work contract; or
- (3) A defect in the proceedings preliminary to the letting and awarding of the public work contract does not discharge the surety.

The contractor shall be paid in full, including all escrowed principal and escrowed income, by the board and escrow agent, within sixty-one (61) days after the date of substantial completion, subject to IC 36-1-12-11 and IC 36-1-12-12. If within sixty-one (61) days after the date of substantial completion there remain uncompleted minor items, an amount equal to two hundred percent (200%) of the value of each item as determined by the architect-engineer shall be withheld until the item is completed. Required warranties begin not later than the date of substantial completion.

Actions against a surety on a performance bond must be brought within one (1) year after the date of the board's final settlement with the contractor.

If the public work contract is less than two hundred fifty thousand dollars (\$250,000), the board may waive the performance bond requirement and accept from a contractor an irrevocable letter of credit for an equivalent amount from an Indiana financial institution approved by the department of financial institutions instead of a performance bond. (IC 36-1-12-14)

COUNTY DRUG FREE COMMUNITY FUND

The County Council shall annually appropriate from the fund amounts allocated by the Board of County Commissioners for the use of persons, organizations, agencies and political subdivisions to carry out recommended actions contained in a comprehensive drug free communities plan approved by the commission for a drug free Indiana established by IC 5-2-6-16 as follows:

1. At least 25% of the money is to go to persons, agencies, organizations, and political subdivisions providing prevention and education services in the County.
2. At least 25% of the money is to go to persons, agencies, organizations, and political subdivisions providing intervention and treatment services in the County, and

COUNTY DRUG FREE COMMUNITY FUND - (Continued)

3. At least 25% to persons, agencies, organizations, and political subdivisions providing criminal justice services and activities in the County.
4. A county fiscal body shall annually appropriate the remaining money in the fund allocated by the county legislative body to be used by persons, organizations, agencies, and political subdivisions to provide services and activities under numbers 1 through 3.

PUBLIC WORKS PROJECTS OVER \$100,000 - PAYMENT BOND OF CONTRACTOR

The contractor shall execute the payment bond to the county, approved by and for the benefit of the county, in an amount equal to the contract price. The payment bond is binding on the contractor, the subcontractor, and their successors and assigns for the payment of all indebtedness to a person for labor and service performed, material furnished, or services rendered. The payment bond must state that it is for the benefit of the subcontractors, laborers, material suppliers, and those performing services.

The payment bond shall be deposited with the board of county commissioners. The payment bond must specify that:

- (1) A modification, omission, or addition to the terms and conditions of the public work, contract plans, specifications, drawings, or profile;
- (2) A defect in the public work contract; or
- (3) A defect in the proceedings preliminary to the letting and awarding of the public work contract; does not discharge the surety. The surety of the payment bond may not be released until one (1) year after the board's final settlement with the contractor.

A person to whom money is due for labor performed, material furnished, or services provided shall, within sixty (60) days after the completion of the labor or service, or within sixty (60) days after the last item of material has been furnished, file with the board signed duplicate statements of the amount due. The board shall forward to the surety of the payment bond one (1) of the signed duplicate statements. However, failure of the board to forward a signed duplicate statement does not affect the rights of a person to whom money is due. In addition, a failure to forward the statement does not operate as a defense for the surety.

An action may not be brought against the surety until thirty (30) days after the filing of the signed duplicate statements with the board. If the indebtedness is not paid in full at the end of that thirty (30) day period the person may bring an action in court. The court action must be brought within sixty (60) days after the date of the final completion and acceptance of the public work. (IC 36-1-12-13.1)

UNIFORM ELECTRONIC TRANSACTIONS ACT

The Uniform Electronic Act allows governmental units to determine the extent that the entity will create and retain electronic records and convert written records to electronic records. In addition, the Act allows the governmental unit to send and accept electronic records and electronic signatures to and from other persons and otherwise create, generate, communicate, store, process, use and rely upon electronic records and signatures.

The State Board of Accounts Accounting and Uniform Compliance Guidelines Manuals document the requirements for storage of accounting information on a computer media. These requirements are documented in the chapter on computer systems and within the section of Information Technology Services Controls.

The required areas of control include:

Disaster Recovery	Internal Processing
Back Up Processing	Error Correction
Physical Security	Programming Documentation
Logical Security	Operations Documentation
Change Controls	User Documentation
Audit Trails	Output Controls
Input Controls	Interface Controls

If a governmental unit is utilizing only electronic records with no supporting documentation and deficiencies are noted in the required areas of computer controls, an audit result and comment and a federal finding could be included in the audit report for this governmental unit. Severe deficiencies could also adversely affect the audit opinion provided for the governmental unit.

If there are questions on the application of required computer controls related to electronic records or transactions, please contact the State Board of Accounts.

**AMENDMENT TO ADDITIONAL APPROPRIATION ARTICLE IN APRIL 2000
BULLETIN**

IC 6-1.1-18-5 addresses the requirements of the additional appropriation process. Proof of publications and posting do not need to be sent to the State Board of Tax Commissioners. Also, no hearing is conducted by the tax board. Instead, they have fifteen (15) days to act.